

§ 1290.4

12 CFR Ch. XII (1–1–13 Edition)

§ 1290.4 Decision on community support statements.

(a) *Action on community support statements.* FHFA will act on each community support statement in accordance with the requirements of § 1290.3 within 75 calendar days of the date FHFA deems the community support statement to be complete. FHFA will deem a community support statement complete when it has obtained all of the information required by this part and any other information it deems necessary to process the community support statement. If FHFA determines during the review process that additional information is necessary to process the community support statement, FHFA may deem the community support statement incomplete and stop the 75-day time period by providing written notice to the member. When FHFA receives the additional information, it shall again deem the community support statement complete and resume the 75-day time period where it stopped. FHFA will have 10 calendar days in addition to the 75-day time period to act on a community support statement if FHFA receives the additional information on or after the seventieth day of the 75-day time period.

(b) *Decision on community support statements.* FHFA will provide written notice to the member and the member's Bank of its determination regarding the community support statement submitted by the member. The notice will identify the reasons for FHFA's determination.

§ 1290.5 Restrictions on access to long-term advances.

(a) *Requirement.* FHFA will restrict a member's access to long-term advances if the member:

- (1) Failed to comply with the requirements of this part;
- (2) Submitted a community support statement that was not approved by FHFA;
- (3) Did not receive a rating in a CRA evaluation of "outstanding" or "satisfactory" at the end of the probationary period described in § 1290.3(b)(2); or
- (4) Failed to provide evidence satisfactory to FHFA of its first-time homebuyer performance before the end of

the probationary period described in § 1290.3(c)(2).

(b) *Notice.* FHFA will provide written notice to a member and the member's Bank of its determination to restrict the member's access to long-term advances.

(c) *Effective date.* Restrictions on access to long-term advances will take effect 30 days after the date the notices required under paragraph (b) of this section are sent unless the member complies with the requirements of this part before the end of the 30-day period.

(d) *Removing restrictions.* (1) FHFA may remove restrictions on a member's access to long-term advances imposed under this section:

(i) If FHFA determines that application of the restriction may adversely affect the safety and soundness of the member. A member may submit a written request to FHFA to remove a restriction on access to long-term advances under this paragraph (d)(1)(i). The written request must include a clear and concise statement of the basis for the request, and a statement that application of the restriction may adversely affect the safety and soundness of the member from the member's appropriate Federal banking agency, or the member's appropriate State regulator for a member that is not subject to regulation or supervision by a Federal regulator. FHFA will consider each written request within 30 calendar days of receipt.

(ii) If FHFA determines that the member subsequently has complied with the requirements of this part. A member may submit a written request to FHFA to remove a restriction on access to long-term advances under this paragraph (d)(1)(ii). The written request must state with specificity how the member has complied with the requirements of this part. FHFA will consider each written request within 30 calendar days of receipt.

(2) FHFA will place a member on probation in accordance with § 1290.3(b)(2), if—

(i) The member's access to long-term advances was restricted on the basis of the member's inadequate performance under the CRA standard, as described in § 1290.3(b)(3);